

From: Philip J. Koenig
To: Microsoft ATR
Date: 1/25/02 9:37am
Subject: Microsoft Settlement

I am a computer user since the 1980's, a user of Microsoft products since DOS 3.1, an online computer user for 14 years, and currently have my own computer industry consulting business.

I am writing today to express my strong dissatisfaction with the currently proposed settlement in the Microsoft antitrust matter.

I have watched Microsoft's behavior for many years, and I feel the current proposals are not adequate to ensure further abuses of Microsoft's dominant position in desktop operating systems, internet browsers, office productivity applications, server operating systems, and a variety of other key consumer and commercial computing products.

Microsoft today has in excess of \$30 billion in cash in the bank, and I think the DOJ has to think carefully about the real impact of small one-time fines and/or minor conduct remedies that Microsoft will either easily find ways to circumvent, or turn into a public relations disaster for the US govt.

Microsoft likes to argue that to place any limits on them "stifles innovation", but as those of us who have been in the industry for many years can attest, Microsoft is hardly known as a technology innovator. Yet the impact of their monumental dominance of every market they enter into has a tremendous negative impact on the total innovation of the industry as a whole, due to the chilling effect it has on potential competitors who see little reason to enter a market against the Microsoft "800 lb gorilla", with all the massive resources they can bring to bear in any market they choose to enter. (The latest being telephones and home game consoles)

For this reason, Microsoft themselves actually chill overall industry innovation, and while in some ways the US govt may look upon Microsoft as a corporate success story and valuable strategic asset, the computer and technology industry as a whole suffers.

I urge the DOJ to take into consideration the position of the 9 holdout states which have chosen not to enter into the currently proposed settlement, I believe their position is principled and based on sound evidence and the needs of the industry and consumers both.

I have actually advocated for some time that the best remedy for Microsoft's illegal conduct is to separate the company into separate, autonomous divisions. While I realize at this juncture that this

option may be precluded by decision(s) rendered by the appellate court, I nonetheless still firmly believe that the only way to ensure Microsoft does not continue to leverage various subtle technological and corporate advantages associated with their monolithic "vertically integrated" company is to separate the company into 3 divisions. This would have the added benefit of relieving the US government of becoming a constant target of criticism for the manner in which its agents oversee day-to-day corporate operations at Microsoft for years to come, which seems to be what they are facing with the current proposal.

I thank you for your consideration.

Sincerely,

Philip J. Koenig

915 Cole St. #152
San Francisco, CA 94117

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Philip J. Koenig Electric Kahuna Systems pjk@ekahuna.com

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